



County Welfare Directors Association of California

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To: County Welfare Directors Association of California

From: Tom Joseph, Director, CWDA Washington, D.C. Office

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Re: Federal Update

Congress returned last week from its spring break. Many House Republicans came back to Washington talking about the push-back they received from their constituents on the House budget plan to dramatically change Medicare. Consequently, the House Ways and Means Committee which would be tasked with making the changes has indicated that it will not move forward on such a bill.

Taking Medicare off of the budgetary table, however, may increase the focus on finding Medicaid savings, a program now larger Medicare both in terms of the number of individuals served and in the amount of spending, now exceeding \$305 billion annually.

Budget, Budget, Budget

Budget talks are on multiple tracks this year and the outcome of any of it is very unclear. Below are updates on the major, separate discussions underway. If, when and how this all coalesces, is anyone's guess.

Senate Budget Resolution: The Senate Budget Committee is expected to mark up its version of a federal fiscal year (FFY) 2012 budget resolution next week. The Senate's resolution is expected to be very different from the House-passed bill (H. Con. Res. 34) which proposes not only to freeze discretionary spending at below FFY 2008 levels, but would also block grant Medicaid, SNAP and eliminate the Social Services Block Grant.

The budget resolution itself serves as a reference document for the appropriations and policy committees to use as they craft the actual legislation. It does not have the force of law. Because the two resolutions are expected to be very different in approach, it is very unlikely that House and Senate leadership will be able to reach agreement on a single, compromise approach to crafting a budget blueprint this year.

Senate "Gang of Six": A bipartisan group of three Senate Democrats and three Senate Republicans have been meeting privately for months to try to iron out a long-term budget solution. They have yet to reach an agreement. The Gang of Six includes Sens. Mark Warner, (D-VA); Kent Conrad, (D-ND); Assistant Majority Leader Dick Durbin, (D-IL); Saxby Chambliss, (R-GA); Tom Coburn, (R-OK); and Mike Crapo, (R-ID).

They are using the recommendations issued last December from the President's deficit commission, the National Commission on Fiscal Responsibility and Reform, as their starting point. That plan cut and froze both security and non-security discretionary spending, made modest changes to entitlement programs and reformed the tax code to bring in more revenue. Importantly, the commission's final recommendations specifically stated that programs protecting the most vulnerable citizens should be protected and maintained.

House Appropriations Committee Action: The House appropriations subcommittees are expected to receive their spending allocations this week so that they may begin work on the FFY 2012 spending bills, despite the lack of a House-Senate budget resolution. The House Budget resolution's pot for discretionary programs is approximately at the FFY 2006 level. The Senate budget resolution is expected to allocate funding to the Senate appropriators at a higher level. Given the likelihood of vastly different spending bills emanating from the House and Senate, it is very uncertain how the 12 appropriations bills will be reconciled later this year, if indeed bills even reach their respective floors.

Debt Ceiling: By using some extraordinary money management techniques, the U.S. Treasury has told Congress that it now has until August 2 before the federal government would default on its debt obligations. The debt limit currently stands at \$14.3 trillion.

A number of Republican plans are being floated, including a constitutional amendment to require a balanced budget and a plan to limit federal spending to a certain percentage of the gross domestic product. Other members, including some Democrats, have said that they would only approve an increase in the debt limit if some spending reductions were included.

House Majority Whip Kevin McCarthy (R-CA) has kicked off a series of listening sessions that will allow members to voice their ideas and opinions on how to tackle the issue. The listening sessions will feature a number of congressional leaders including House Ways and Means Committee Chairman Dave Camp (R-MI) and Budget Committee Chairman Paul Ryan (R-WI).

As for the administration, Vice President Joe Biden hosted the first of many bipartisan working group sessions on May 5 and the group is slated to meet again today. The working group consists of members from both chambers and both sides of the aisle appointed by party leadership.

Administration Initiatives: President Obama will meet separately with all Senate Democrats and all Senate Republicans this week to discuss how to craft a deal on a deficit-reduction plan. He will hold similar talks with House members in the coming weeks.

Health and Human Services Legislation

Health Reform Provisions Still Under Attack: Hardly a week goes by without a House vote to repeal sections of the Affordable Care Act. Last week, the House cleared a bill (HR 1213) to block mandatory funding for grants to assist states with establishing health insurance exchanges.

Despite the vote in the House, the bill has no chance of becoming law. Senate Health, Education, Labor and Pensions Committee Chairman Tom Harkin (D-IA) has made it clear that the bill would be “dead on arrival” in the Senate. The White House has also signaled that President Obama would veto any measure that would defund the health care law.

Another measure, HR 1214, recently passed by House Republicans would block funding for school-based health care construction. That bill cleared the lower chamber by a vote of 235-191 and also stands no chance of passing the Senate.

Letter Opposing SNAP Block Grant: CWDA is drafting a sign-on letter to Congress for California-based organizations opposing the House Budget resolution proposal to block grant the Supplemental Nutrition Assistance Program (SNAP) and place additional work requirements on recipients. The proposal would cut SNAP by \$127 billion over ten years. While the legislative details have not been drafted, if the cut was applied across-the-board, benefits would be cut up to 20 percent and/or millions of Americans would no longer receive assistance.

While it is unlikely that the bill would be adopted separately, the intense focus on entitlements places all programs at risk for cuts in a future omnibus package.

TANF Drug Testing Bill: While there is no movement on an overall reauthorization of the Temporary Assistance to Needy Families program (TANF), legislation has been introduced to drug test anyone receiving or applying for TANF. The “Drug Free Families Act” (HR 1769) has been introduced by Rep. Charles Boustany, (R-LA). No one has co-sponsored the bill to date. Boustany is a relatively senior member of the Ways and Means Committee which has jurisdiction over TANF.

The measure is similar to a proposal by Sen. Orrin Hatch (R-UT) last summer that went nowhere in the Senate after many Republicans failed to support it.

A decade ago, Michigan was the first state to propose such a program, and the Sixth Circuit court found that it violated the Fourth Amendment, which protects against unreasonable search and seizure. The court found that “upholding suspicionless drug testing would set a dangerous precedent” and that drug tests should satisfy “a special need, and that need must concern public safety.”

According to the Center for Law and Social Policy, at least 27 states have introduced similar legislation in the past few years.

Medicaid MOE Bills: Last week, Senator Orrin Hatch (R-UT) and Representative Phil Gingrey (R-GA) introduced identical bills (S 868/HR 1683) to repeal recent Medicaid maintenance of effort (MOE) requirements placed on the program in return for a higher federal match, including the soon-to-expire enhanced match under the Recovery Act, and the Affordable Care Act’s provisions. The “State Flexibility Act” would remove the potential federal sanction of losing the federal Medicaid match if a state decided to reduce eligibility under the program.

While it is expected that the Senate will reject the measure, bills to reduce or eliminate MOE requirements could be a ‘compromise’ to counter the more radical attempts to block grant Medicaid if Congress decides to identify entitlement savings.

Fostering Connections (AB 12) 'Clean Up': CWDA is working with Rep. Karen Bass (D-Los Angeles), to address two provisions in the federal Fostering Connections Act which may affect permanency. CWDA has alerted Rep. Bass of the need for a federal provision allowing a successor guardian to be named for federally funded Kin GAP cases, so that children who may lose their guardian due to death or other reasons would not have to re-enter foster care. A successor guardian provision is available in adoption assistance cases.

CWDA is also working with Rep. Bass to ameliorate the possible federal fiscal disincentive faced by families considering kin guardianship or adoption before the child reaches age 16. If a family chooses either permanency option before 16, the federal IV-E support extended to age 21 would not be available.

National Foster Care Month Resolution: Finally, Rep. Bass introduced her first piece of legislation last week. The bill would recognize May as National Foster Care Month (H Res 242). Rep. Bass included language drafted by CWDA acknowledging the local government investments and improvements in child welfare services. CWDA is working to garner additional co-sponsors for the bill.